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C O N F I D E N T I A L SECTION 01 OF 03 SARAJEVO 001227

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DEPARTMENT FOR EUR(FRIED/JONES), EUR/SCE (HOH/FOOKS), NSC FOR HELGERSON, OSD FOR BEIN

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SUBJECT: BOSNIA - A VISIBLY UPSET DODIK DIMISSES USG

CONCERNS ABOUT HIS STATEMENTS AND ACTIONS

REF: A. SARAJEVO 1113

18. SARAJEVO 1193

Classified By: Ambassador Charles English. Reasons 1.4.(b) and (d).

11. (C) SUMMARY: Republika Srpska (RS) Prime Minister Milorad Dodik responded angrily to a letter from Assistant Secretary Daniel Fried, which outlined USG concerns about statements and actions by Dodik that created the impression that Dodik believed the RS can take a path separate form Bosnia as a whole. The Ambassador personally delivered the letter to Dodik on July 28 and reviewed U.S. concerns in detail during the course of a 90-minute meeting. Dodik vehemently denied that he had a separatist agenda, arguing that his only goal was for "the RS to be respected." He also rejected allegations that he, his government, or anyone in his political party were deliberately seeking to undermine state-level institutions. Dodik denied, ignored, or distorted his own record over the last 18 months and sought to blame Bosnia's problems on the Federation and the conduct of Sarajevo-based politicians. He accused Transparency International (TI) of waging a political campaign against him and dismissed concerns about his own conduct in the TI affair. In general, Dodik was unrepentant, almost defiant, and this attitude suggests that we will continue to have serious problems with him. The challenge, as we have seen, is that Dodik is capable of attacking the state on so many fronts that it is difficult to defend it from him. END SUMMARY

Ambassador Outlines USG Concerns to Dodik

- 12. (C) On July 28, Ambassador English personally delivered a letter from Assistant Secretary Daniel Fried to Republika Srpska (RS) Prime Minister Milorad Dodik expressing USG concerns that Dodik's statements and action have created the impression that the RS can take a path separate from Bosnia as a whole. The Ambassador told Dodik that the U.S. was concerned by regular public statements by Dodik which 1) characterized Bosnia as a "temporary or interest category" or as "an imposed state;" and, 2) speculated about the possible dissolution of Bosnia. The USG was also unhappy with Dodik's general rhetorical assault on the state and its institutions, such as repeated attacks on state-level judicial institutions and efforts to de-legitimize the state-level public broadcaster, Bosnia-Herzegovina Radio-Television (BHRT).
- 13. (C) The Ambassador noted U.S. concern with attempts by Dodik and his allies in the RS to create parallel legal structures or institutions in the RS that undermine the state and its institutions and/or previous reforms. (Note: Two

recent examples are the RS Law on Frozen Foreign Currency Account and the creation of the RS Operational Team for tracing Missing Persons. End Note) Finally, the Ambassador indicated that the U.S. was unhappy with a series of proposals made by Dodik, his government, and his political party that were designed to undermine existing state-level institutions, such as calls for the creation of entity sub-accounts in the Indirect Taxation Authority and for entity-level High Judicial and Prosecutorial Councils. Dodik's statements and actions were creating a dynamic that could lead to the break-up of Bosnia; such an outcome was completely unacceptable to the U.S. (Comment: Another example are SNSD calls for the recreation of the RS intelligence service. We have reason to believe from other sources that Dodik's political party plans to challenge the constitutionality of the State Intelligence Service. End Comment)

### Dodik Responds Angrily and Defensively

14. (C) At first seemingly stunned by the letter, Dodik responded emotionally to it, saying the "tone and content are surprising, inappropriate, nacceptable, and unfair." He complained that the U.S. had failed to acknowledge how constructive he and the RS had been. For example, Dodik argued that he could have stirred up trouble over Srebrenica, Kosovo, and the Karadzic arrest, but instead used his leadership to "maintain peace and calm in the RS." Dodik said that it was his "responsibility" to maintain stability, but at the same time, Dodik said that he must achieve a

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"delicate" balance between this responsibility and the need to "satisfy local people." (Comment: Dodik's self-assessment of his management of Kosovo and Karadzic are self-serving and inaccurate. In both instances, his rhetoric and actions created the expectations he claimed he was seeking to manage. Dodik's assessment of his conduct on Srebrenica is fair, however. End Comment)

15. (C) Referring to the letter, Dodik denied that he said that the Peace Implementation Commission (PIC) added additional conditions for the closure of the Office of the High Representative (OHR) at its most recent meeting. Dodik also accused the Sarajevo-based media for printing "falsifications" about him, and fumed when the Ambassador reminded him that the Croatian and Slovenian media also attributed inflammatory comments to him. Dodik defended his rhetoric in general, saying that he does not want to "create illusions" but he does want "the RS to be respected." He conceded that it would be better for him to just "stay quiet" but then admitted that he has "undergone a certain transformation in recent years."

# Dodik Denies a Separatist Agenda

16. (C) Dodik told us that he accepted the Stabilization and Association Agreement (SAA) process, and wanted to help move Bosnia towards EU candidate status, "as soon as possible."

He vehemently asserted that "separatism is not on my agenda."

He claimed that he is "a serious politician, not an adventurer." He said that his agenda is about "respecting the position of the RS within BiH." Dodik told us that he knows "the RS cannot enter the EU on its own," explaining that the RS is only "trying to adjust our system to meet EU requirements." Dodik said that he believes "joint entity coordinating bodies" could serve as the "one address" in Bosnia for EU purposes (as opposed to state-level institutions). "The RS government will continue to work with BiH in accordance with laws and the constitution," Dodik said, adding that the RS would participate in constitutional reform talks provided abolition of entities "was not on the table."

17. (C) Dodik dismissed allegations that he was undermining state-level institutions. He also denied that he had attacked state-level institutions, though he then proceeded to do just that, often asserting that they were biased against Serbs. (Note: Dodik stressed this point in particular when commenting on state-level judicial institutions, the state-level public broadcaster BHRT, and the Communications Regulatory Agency. End Note) Dodik presented his proposals, such as the creation of entity sub-accounts at the Indirect Taxation Authority, and his actions, such as constitutional court challenges to the legality of state-level structures, as rooted in reasonable RS grievances. He refused to acknowledge that there was a pattern to RS proposals (e.g., that their effect was almost always to weaken the authority and functionality of state-level structures). Dodik also repeatedly brought up defense reform, calling it a positive example of RS cooperation with state institutions, adding at one point that "the military should remain a state competency."

#### Ambassador Suggests A Way Forward

18. (C) After listening to Dodik's response, the Ambassador suggested a two-part way forward. First, the Ambassador urged Dodik to pursue "confidence-building measures" including: 1) Resolving the status of the Srebrenica-Potocari Memorial Center (where the Srebrenica victims are buried) by appointing a suitable RS representative to the Executive Board and by rescinding the RS demand that the Memorial Center register in the RS (Note: The Executive Board cannot function until an RS member is appointed. The requirement for RS registration is an effort to negate the state-level status of the Memorial Center. End Note); 2) Supporting the request from the leadership of state-level judicial institutions to extend the presence of international investigators,

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prosecutors, and judges at the State Prosecutor's Office and State Court beyond the end of 2009; and, 3) Withdrawing SNSD's constitutional challenges to state-level institutions, competencies and previous reforms. Second, the Ambassador suggested Dodik focus on meeting the five objectives and two conditions set by the PIC for OHR's closure.

19. (C) Dodik responded to the Ambassador's suggestions with answers that were either negative or unacceptably conditional. The notable exception was Dodik's positive reaction to extending the international presence in state-level judicial institutions where internationals were involved in investigating, prosecuting or trying war crimes. (Note: Dodik adamantly rejected the notion of doing the same for organized crimes and corruption. End Note) With regard to the PIC objectives, Dodik argued that state property issue was "artificial" because it was "already resolved in the constitution." He accused the HighRep and OHR of "blocking progress" on state property. Finally, Dodik said that the RS would not challenge the right of the Bosnian Armed Forces to use the immovable property it required, but he insisted that ownership must remain at the entity level.

# Dodik Squirms Over Transparency International

110. (C) Dodik responded to U.S. concerns about recent events concerning Transparency International (TI) by noting that he had "no problem with TI, only with the local idiots who work there." Dodik claimed that TI and its people were "politically motivated in their work," adding that he had only "observed" events as they hve unfolded in the media. Dodik was taken aback hen the Ambassador pointed out that Dodik's persnal bodyguard and close friend Milos Cubrilovic ad been driving the so-called "protected witness" i the

case around to give media statements. Dodik, clenching his fists, said that Cubrilovic is a "good guy, who does things for me," but then he added somewhat mysteriously that "Cubrilovic has no official authority over the police." Dodik also stuck by his patently false public claim that the State Prosecutor's Office has had information about TI for five years, even after the Ambassador pointed out to him that the office did not exist five years ago.

# Comment

111. (C) Dodik was fiercely combative in response to USG concerns that his statements and actions raised profound questions about his commitment to keeping the RS inside Bosnia over the long-term. He either denied he attacked state-level institutions or justified his attacks as reasonable, and he repeatedly insisted that he has no secessionist agenda. On several occasions, he pretended to not understand how the USG could possibly interpret his statements or actions as dangerous or destabilizing. Dodik repeatedly tried to turn the tables, arguing that instead of being criticized, he should be thanked for everything he has done to maintain peace and stability in the RS. Dodik's unrepentant attitude and his observations on issues that require resolution over the next several months, notably state and immovable defense property, suggest that he is bent on continuing down the dangerous path on which he has embarked. ENGLISH